OFFICE OF GOVERNOR RONNIE MUSGROVE INTEROFFICE MEMORANDUM

TO: GOVERNOR

FROM: BOYD

SUBJECT: SSEB/SGA'S "ENERGY IN THE SOUTH" REPORT

DATE: JULY 31, 2001

CC: FRED Z., RENICK

Governor Hodges will <u>not</u> be able to attend the SGA business meeting during NGA; therefore as incoming chair, you will be the lead governor on energy issues. SGA and SSEB staff will brief the governors on the on the draft policy report. Please review the the energy po

Please find attached five pages of policy options and recommendations from the SSEB/SGA Energy Policy in the South report. You will find as you read these options that that are reasonable and respectful of states' rights.

Specifically, there are 5 key principles that drive the report (1) increasing diversification, (2) improving stability, (3) improving efficiency; (4) strengthening infrastructure, and (5) advancing R&D for cleaner energy.

VERSUS PROPOSED NATIONAL ENERGY POLICY

There are a couple of distinctions to be made from the Southern and the National Energy Policy. As you will recall the national energy policy calls for federal **eminent domain** powers to site power lines and plants. The recommendations in this report call for the development of a streamlined method of with states as primary authorities.

Both reports seek "increased" funding for LIHEAP, expansion of the "Energy Star" program (a federal energy conservation incentive program), improving clean energy technologies, and updating energy infrastructure. The SGA/SSEB report does not address ANWR (Alaska National Wildlife Refuge).

Coal generation plants provide over 50% of the electricity generated in the South. According to the U.S. Department of Energy, the United States has enough coal to sustain current energy consumption for the next 250 years.